United Nations S/2011/284

Security Council

Distr.: General
5 May 2011

Original: English

# Letter dated 8 April 2011 from the President of the Governing Council of the United Nations Compensation Commission addressed to the President of the Security Council

I am pleased to provide my report as the President of the Governing Council on the results of the Governing Council's seventy-first session, which was held in Geneva from 5 to 7 April 2011.

On the consultations between Iraq and Kuwait under the auspices of the United Nations Compensation Commission regarding the unpaid balance of approximately $21 billion that remains owing to Kuwait, the Council took note of the briefing and efforts of the Executive Head of the Commission and also took note of the statements made by the delegations of the Governments of Iraq and Kuwait at the opening plenary session regarding this issue. The Council welcomed the formation of the Joint Iraq-Kuwait Ministerial Committee and its first meeting in Kuwait on bilateral issues and encouraged consultations on the outstanding compensation under the auspices of the Commission. The Council noted its hope that there continue to be a strong interest and willingness on both sides to move forward on this issue and requested that the Executive Head continue his efforts and keep the Governing Council informed.

On the issue of the arrangements for ensuring that payments are made to the Compensation Fund, the Governing Council recalled that in its resolution 1956 (2010), the Security Council provides for the transition to a post-Development Fund mechanism and the transfer of the oversight function from the International Advisory and Monitoring Board for Iraq to the Iraq Committee of Financial Experts by the end of June 2011. A number of Governing Council members highlighted at the opening plenary, in the presence of the delegations of Iraq and Kuwait, the importance of the current or similar arrangements for the deposit of 5 per cent into the Compensation Fund remaining in place following the expiration of the Development Fund for Iraq and the mandate of the International Advisory and Monitoring Board for Iraq at the end of June 2011. In its conclusion on this issue, the Governing Council also requested that I emphasize the importance of such arrangements in this report. The Council also noted that in a meeting with the head of the Iraq Committee of Financial Experts and the Permanent Representative of Iraq in Geneva, the Executive Head had received assurances that the current arrangements would remain unchanged following the transfer to a post-Development Fund mechanism; this was reinforced in the statement made by the Permanent Representative of Iraq at the opening plenary.



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With respect to the Follow-up Programme for Environmental Awards established pursuant to decision 258 (2005), with the Governing Council having concluded at its seventieth session that the mandate of the Follow-up Programme under decision 258 (2005) can and should be fulfilled in the near term and having indicated its intention to adopt a decision in this regard at the current session, high-level delegations from the Governments of Iraq, Jordan, Kuwait and Saudi Arabia attended the session at the invitation of the Governing Council and shared their views. The Governments of Jordan, Kuwait and Saudi Arabia also provided information to the Governing Council on the status of implementation of their respective projects.

In considering the progress made by the participating Governments under the Follow-up Programme for Environmental Awards, the Council adopted decision 269 (S/AC.26/Dec.269 (2011)) concerning the fulfilment of the Follow-up Programme. This decision provides that the mandate of the Programme will be fulfilled upon the participating Governments' establishment of identified structural systems and controls and the provision of adequate assurances for their maintenance and for the use of the award funds for the successful completion of the projects and a determination to that effect by the Governing Council.

The next Council session will be held from 11 to 13 October 2011.

With the recent payment made on 27 January 2011 to the nine remaining successful claimants (in the corporate and government claims categories) from the Compensation Fund, all awarded to Kuwait, the overall amount of compensation made available to date by the Commission is approximately US$ 31.4 billion, with a total outstanding balance of $21 billion remaining to be paid. The next payment is scheduled to be made on 28 April 2011.

(*Signed*) Reinhard **Schweppe**
President of the Governing Council